

GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Felix P. Camacho
 Governor

Michael W. Cruz, M.D.
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, July 30, 2010, 12:00 p.m.
 Retirement Fund Conference Room

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Wilfred G. Aflague
 Trustee

MINUTES

DEFINED CONTRIBUTIONS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:09 p.m. Friday, July 30, 2010, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 George A. Santos, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Vice-Chairman*
(Off-Island)
 Wilfred G. Aflague, Trustee
 Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Tajeron, Great-West Retirement Services

Public Present:

Mark Heath, Metropolitan West Capital Management
 Felix Santos (12:44 p.m.)

* Vice-Chairman Wilfred Leon Guerrero participated via conference call.

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. June 25, 2010 Regular Meeting

On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of June 25, 2010 Regular Meeting were approved, subject to corrections. Motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. **Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives** – Director Paula Blas stated that the Members and Benefits (M&B) Committee decided to survey the DC participants to assess their understanding of their DC plan retirement benefits and participants' willingness to contribute more towards a DB plan retirement benefit. Director Blas stated that due to the school year beginning in August, the Retirement Fund will issue the survey by August 7, 2010. The survey may be completed by August 30, 2010. Director Blas stated that the department heads have been notified and the Retirement Fund will be working with a designated representative from each department. Chairman San Agustin asked whether Retirement Fund staff will be going to each department. Director Blas stated that the department representatives will be actively involved. Chairman San Agustin stated that all DC participants must be made aware of the survey. Secretary Antolina Leon Guerrero suggested placing an ad in the newspaper regarding the survey.

Financial Report

1. **Contributions** – Director Blas stated that as of July 27, 2010, all agencies are current with their Fiscal Year 2010 employee and employer contributions.

2. **Financial Statements** – Director Blas stated that the books for the month ending June 2010 were closed on July 15, 2010.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – June 2010

Director Blas stated that Alice Taijeron of Great-West Retirement Services (Great-West) has provided, at this meeting, the TPA Report for the month ending June 30, 2010 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron stated that at the June 25, 2010 Board meeting, Treasurer Gerard Cruz inquired about the Stable Return Premier Fund with a -32% change. Ms. Taijeron stated that it was a typographical error and that it should have been 1.13%.

Ms. Taijeron stated that Chairman San Agustin had asked for her to include additional information regarding participants on disability retirement. Chairman San Agustin asked how the disability retirees are compensated. Ms. Taijeron stated that the retirees have an option and that the pay option does not

affect their status. The retirees are entitled to health insurance, \$10,000.00 life insurance, the annual COLA, 50% sick leave and 100% annual leave. Ms. Tajeron stated that the annual leave is paid by the retiree's department. Ms. Tajeron stated that retirees have the option for an annuity or a lump sum payment. Chairman San Agustin asked how many retirees opted for lump sum payment. Ms. Tajeron stated that about 95% opted for a lump sum payment. Ms. Tajeron stated that these retirees have other income. Chairman San Agustin asked how long does annuity last. Ms. Tajeron stated that it is for life. Chairman San Agustin asked how the annuity is calculated. Ms. Tajeron stated that it is a fixed amount – it is the annuity purchased. Chairman San Agustin asked what happens if the retiree dies. Ms. Tajeron stated that retirees had the option to pay for survivor benefits. Chairman San Agustin asked whether it is a life time plan. Ms. Tajeron stated that there is a formula.

Ms. Tajeron reported on participant statistics:

401(a) Plan

Active Participants (with a balance)	9,754
Active Participants Contributing	7,169
Percent of Active Participants Contributing	74%
Full Withdrawals	151
Financial Hardships	11
First Contributions (New)	74
Participants on Disability	46
Total Retiree Count (as of 6/30/10)	290
Retiree Breakdown:	
1/1/98 – 12/31/08	235
1/1/09 – 12/31/09	34
1/1/10 – 6/30/10	21

457(b) Plan

Active Participants (with a balance)	1,178
Active Participants Contributing	881
Percent of Active Participants Contributing	75%
Full Withdrawals	2
Outstanding Loans	216
New Loans Processed	10
First Contributions (New)	11

Ms. Tajeron reported that the total disbursement in the 401(a) Plan was \$1,166,145.63. The largest disbursement was “Payment to Self” on full withdrawals and partial withdrawals. Ms. Tajeron stated that the withdrawals were for Department of Education (DOE) employees. Ms. Tajeron stated that the next largest disbursement was for “Hardship” in the amount of \$44,731.00.

Ms. Tajeron mentioned that she would like to make a presentation at the next Board meeting on “Secured Foundation.”

VII. INVESTMENT COMMITTEE REPORT

Treasurer Cruz reported that the Investment Committee meeting was held on July 9, 2010. The following are informational items:

1. **Minutes** – Treasurer Cruz stated that the Committee reviewed and approved the following Investment Committee Minutes:

- a. June 11, 2010 Investment Committee Meeting
- b. December 16, and 17, 2009 Due Diligence Meeting (For the Quarter Ended September 30, 2009)

2. **Next Quarterly Performance Meeting** – Treasurer Cruz stated that the next Quarterly Performance Meeting is scheduled for August 26, and 27, 2010.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT

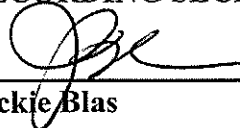
There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:47 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 30, 2010 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 27, 2010.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas